Agenda Item No.___

File Code No. 260.02



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 13, 2011

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: November 2011 Investment Report

RECOMMENDATION:

That Council accept the November 2011 Investment Report.

DISCUSSION:

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of November 30, 2011.

ATTACHMENT: November 2011 Investment Report

PREPARED BY: Jill Taura, Treasury Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

Attachment

CITY OF SANTA BARBARA Activity and Interest Report November 30, 2011

INVESTMENT ACTIVITY	INTEREST REVENUE				
PURCHASES OR DEPOSITS			POOLED INVESTMENTS		
11/9 Federal National Mortgage Association (FNMA) 11/9 Federal Home Loan Mortgage Corp (FHLMC) 11/18 Montecito Bank & Trust CD (MBTCD) 11/28 LAIF Deposit - City 11/30 LAIF Deposit - City	\$	2,000,000 2,000,000 2,000,000 2,000,000 3,000,000	Interest Earned on Investments Amortization Interest on SBB&T Accounts Total	\$ 255,733 (19,844) 363 \$ 236,253	
Total	\$	11,000,000			
SALES, MATURITIES, CALLS OR WITHDRAWALS					
11/2 LAIF Withdrawal - City 11/8 LAIF Withdrawal - City 11/8 Federal Farm Credit Bank (FFCB) - Call 11/14 LAIF Withdrawal - City 11/17 LAIF Withdrawal - City 11/18 Montecito Bank & Trust CD (MBTCD) - Maturity 11/23 Federal Home Loan Mortgage Corp (FHLMC) - Call	\$	(2,500,000) (3,500,000) (2,000,000) (2,000,000) (2,000,000) (2,000,000) (2,000,000)			
Total	\$ (16,000,000)			
ACTIVITY TOTAL	\$	(5,000,000)	TOTAL INTEREST EARNED	\$ 236,253	

CITY OF SANTA BARBARA Summary of Cash and Investments

November 30, 2011

ENDING BALANCE AS OF OCTOBER 31, 2011

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 39,000,	000 0.385%	23.19%	1
Certificates of Deposit	2,000,	000 1.750%	1.19%	17
Federal Agency Issues - Coupon	109,005,	345 1.917%	64.80%	1,117
Corporate/Medium Term Notes	12,242,	4971.779%_	7.28%	1,300
	162,247,	842 1.536%	96.46%	849
SB Airport Promissory Note	5,962,	504 7.000%	3.54%	6,451
Totals and Averages	\$ 168,210,	346 1.730%	100.00%	1,048
SBB&T Money Market Account	1,348,	739		
Total Cash and Investments	\$ 169,559,	085		

NET CASH AND INVESTMENT ACTIVITY FOR NOVEMBER 2011

\$ 1,193,643

ENDING BALANCE AS OF NOVEMBER 30, 2011

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 34,000,000	0.385%	20.83%	1 (1)
Certificates of Deposit	2,000,000	0.800%	1.23%	718
Federal Agency Issues - Coupon	108,992,923	1.921%	66.79%	1,101
Corporate/Medium Term Notes	12,234,575	1.780%	7.50%	1,270
	157,227,499	1.564%	96.35%	871
SB Airport Promissory Note	5,962,504	7.000%	3.65%	6,421
Totals and Averages	\$ 163,190,003	1.762%	100.00%	1,074
SBB&T Money Market Account	7,562,726			
Total Cash and Investments	\$ 170,752,729			

Note:

(1) The average life of the LAIF portfolio as of November 30, 2011 is 220 days.

CITY OF SANTA BARBARA Investment Portfolio November 30, 2011

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY MOODY'S	RATING S&P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
LOCAL AGENCY INVESTMENT FUNDS	DATE	DATE	WOODTS	3 0 F	KATE	303	VALUE	VALUE	VALUE	GAIN/(LOSS)	COMMENTS
LOCAL AGENCY INVESTMENT FUND					0.385	0.385	34,000,000.00	34,000,000.00	34,000,000.00	0.00	
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.385	0.385	0.00	0.00	0.00	0.00	
Subtotal, LAIF	-	-	-	-	0.303	0.565	34.000.000.00	34,000,000.00	34,000,000.00	0.00	
Subtotal, LAIF							34,000,000.00	34,000,000.00	34,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/11	11/18/13	-	-	0.800	0.800	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Certificates of deposit							2,000,000.00	2,000,000.00	2,000,000.00	0.00	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/06/09	04/24/12	Aaa	AA+	2.250	2.120	2,000,000.00	2,000,996.44	2,016,880.00	15,883.56	
FEDERAL FARM CREDIT BANK	12/10/10	12/08/14	Aaa	AA+	1.500	1.662	2,000,000.00	1,999,755.59	2,000,340.00	584.41	Callable 12/08/11, then cont.
FEDERAL FARM CREDIT BANK	02/02/11	02/02/15	Aaa	AA+	2.000	2.000	1,500,000.00	1,500,000.00	1,503,105.00	3,105.00	Callable 02/02/12, then cont.
FEDERAL FARM CREDIT BANK	02/10/11	02/10/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,039,660.00	39,660.00	
FEDERAL FARM CREDIT BANK	03/09/11	03/09/16	Aaa	AA+	2.600	2.621	2,000,000.00	1,999,455.56	2,013,420.00	13,964.44	Callable 03/09/12, then cont.
FEDERAL FARM CREDIT BANK	12/15/10	12/15/15	Aaa	AA+	2.480	2.480	2,000,000.00	2,000,000.00	2,001,620.00	1,620.00	Callable 12/15/11, then cont.
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AA+	2.000	2.002	2,000,000.00	2,000,000.00	2,004,860.00	4,860.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AA+	2.600	2.600	2,000,000.00	2,000,000.00	2,058,080.00	58,080.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	2,051,220.00	51,220.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AA+	2.125	2.125	2,000,000.00	2,000,000.00	2,021,000.00	21,000.00	
FEDERAL FARM CREDIT BANK	04/30/10	04/09/15	Aaa	AA+	2.900	2.916	2,000,000.00	1,999,721.66	2,013,120.00	13,398.34	Callable 04/09/12, once
FEDERAL FARM CREDIT BANK	11/23/10	11/23/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,015,160.00	15,160.00	Callable 05/23/12, then cont.
FEDERAL FARM CREDIT BANK	02/16/11	02/16/16	Aaa	AA+	2.570	2.570	2,000,000.00	2,000,000.00	2,123,560.00	123,560.00	
FEDERAL HOME LOAN BANK	06/30/11	06/30/16	Aaa	AA+	1.300	2.297	2,000,000.00	2,000,000.00	2,001,560.00	1,560.00	SU 3% Callable 12/30/11, then gtrly
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AA+	4.375	2.110	1,700,000.00	1,719,222.93	1,737,111.00	17,888.07	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,059,540.00	59,540.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,042,260.00	42,260.00	
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AA+	3.125	2.440	2,000,000.00	2,026,289.76	2,100,500.00	74,210.24	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	2,026,740.00	26,740.00	
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,062,520.00	62,520.00	
FEDERAL HOME LOAN BANK	06/29/10	10/29/12	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	2,016,200.00	16,200.00	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AA+	2.000	2.653	2,000,000.00	2,000,000.00	2,030,960.00	30,960.00	SU 3.35%, Callable 11/28/12, once
FEDERAL HOME LOAN BANK	06/30/10	06/30/14	Aaa	AA+	1.125	2.277	2,000,000.00	2,000,000.00	2,000,600.00	600.00	SU 3% Callable 12/30/11, once
FEDERAL HOME LOAN BANK	09/26/11	08/28/13	Aaa	AA+	1.000	0.381	1,000,000.00	1,010,736.92	1,010,730.00	(6.92)	
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AA+	4.375	2.272	2,000,000.00	2,071,317.44	2,141,620.00	70,302.56	
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AA+	3.125	2.130	2,000,000.00	2,038,644.90	2,100,500.00	61,855.10	
FEDERAL HOME LOAN BANK	03/26/10	06/08/12		AA+	1.375	1.325	2,000,000.00	2,000,510.00	2,012,520.00	12,010.00	
FEDERAL HOME LOAN BANK	02/09/11	01/29/15	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	2,065,460.00	65,460.00	
FEDERAL HOME LOAN BANK	04/15/11	05/27/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,083,000.00	83,000.00	
FEDERAL HOME LOAN BANK	09/26/11	10/30/13	Aaa	AA+	2.000	0.400	1,500,000.00	1,545,698.79	1,545,435.00	(263.79)	
FEDERAL HOME LOAN MTG CORP	10/19/11	10/19/16	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	2,002,620.00	2,620.00	Callable 07/19/12, then gtrly
FEDERAL HOME LOAN MTG CORP	09/03/09	09/21/12		AA+	2.125	1.699	2,000,000.00	2,006,655.74	2,031,220.00	24,564.26	5335.5 577 10712, thorr qury

CITY OF SANTA BARBARA Investment Portfolio November 30, 2011

	PURCHASE	MATURITY	QUALITY	RATING	STATED	YIELD AT	FACE	воок	MARKET	воок	
DESCRIPTION	DATE	DATE	MOODY'S	S&P	RATE	365	VALUE	VALUE	VALUE	GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN MTG CORP	01/06/11	02/25/14	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	2,032,860.00	32,860.00	
FEDERAL HOME LOAN MTG CORP	11/09/11	11/09/16	Aaa	AA+	1.800	1.800	2,000,000.00	2,000,000.00	2,008,500.00	8,500.00	Callable 05/09/12, then qtrly
FEDERAL HOME LOAN MTG CORP	09/27/11	09/27/16	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	1,998,740.00	(1,260.00)	Callable 12/27/11, then qtrly
FEDERAL HOME LOAN MTG CORP	09/28/11	09/28/16	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	1,997,460.00	(2,540.00)	Callable 09/28/12, once
FEDERAL HOME LOAN MTG CORP	06/09/09	08/17/12	Aaa	AA+	1.000	2.420	2,000,000.00	1,980,670.66	2,009,720.00	29,049.34	
FEDERAL HOME LOAN MTG CORP	03/26/10	04/25/12	Aaa	AA+	1.125	1.197	1,000,000.00	999,715.46	1,004,140.00	4,424.54	
FEDERAL HOME LOAN MTG CORP	02/11/11	04/02/14	Aaa	AA+	4.500	1.615	2,000,000.00	2,130,871.79	2,178,980.00	48,108.21	
FEDERAL HOME LOAN MTG CORP	10/03/11	10/03/16	Aaa	AA+	1.000	1.612	2,000,000.00	2,000,000.00	1,996,580.00	(3,420.00)	SU 2.25% Callable 04/03/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	09/28/11	09/28/16	Aaa	AA+	1.000	1.401	1,000,000.00	999,587.50	1,001,710.00	2,122.50	SU 1%-3%, Call 09/28/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/09/11	11/09/16	Aaa	AA+	1.500	1.807	2,000,000.00	1,999,530.56	2,007,360.00	7,829.44	SU 1.5%-3.5%, Call 11/09/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	02/17/11	02/17/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,010,160.00	10,160.00	Callable 02/17/12, once
FEDERAL NATL MORTGAGE ASSN	06/07/11	03/07/16	Aaa	AA+	2.075	2.075	2,000,000.00	2,000,000.00	2,016,300.00	16,300.00	Callable 06/07/12, once
FEDERAL NATL MORTGAGE ASSN	07/05/11	07/05/16	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	2,003,320.00	3,320.00	Callable 01/05/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	07/19/11	07/19/16	Aaa	AA+	1.900	2.106	1,000,000.00	1,000,000.00	1,002,230.00	2,230.00	SU 2%-3.5%, Call 01/19/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	09/28/11	09/28/16	Aaa	AA+	1.300	1.475	2,000,000.00	2,000,000.00	1,999,820.00	(180.00)	SU 1.3%-2.25%, Call 03/28/12, then qtrly
FEDERAL NATL MORTGAGE ASSN	10/28/11	10/28/16	Aaa	AA+	1.500	1.521	2,000,000.00	1,998,091.67	1,992,640.00	(5,451.67)	Callable 10/28/13, once
FEDERAL NATL MORTGAGE ASSN	08/10/10	08/10/15	Aaa	AA+	2.000	2.055	2,000,000.00	1,998,201.67	2,022,620.00	24,418.33	Callable 08/10/12, once
FEDERAL NATL MORTGAGE ASSN	11/17/10	11/17/14	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,038,260.00	38,260.00	
FEDERAL NATL MORTGAGE ASSN	12/28/10	12/28/15	Aaa	AA+	2.000	2.011	2,000,000.00	1,999,925.00	2,002,380.00	2,455.00	Callable 12/28/11, once
FEDERAL NATL MORTGAGE ASSN	04/11/11	04/11/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,015,500.00	15,500.00	Callable 04/11/12, once
FEDERAL NATL MORTGAGE ASSN	06/27/11	06/27/16	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,026,200.00	26,200.00	Callable 06/27/13, once
FEDERAL NATL MORTGAGE ASSN	09/21/10	09/21/15	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	2,075,080.00	75,080.00	
FEDERAL NATL MORTGAGE ASSN	12/10/10	10/26/15	Aaa	AA+	1.625	2.067	2,000,000.00	1,967,323.35	2,042,420.00	75,096.65	
FEDERAL NATL MORTGAGE ASSN	04/18/11	04/18/16	Aaa	AA+	2.500	2.500	2,000,000.00	2,000,000.00	2,052,280.00	52,280.00	Callable 04/18/13, once
FEDERAL NATL MORTGAGE ASSN	06/29/11	12/29/14	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,005,800.00	5,800.00	Callable 03/29/12, once
Subtotal, Federal Agencies							108,700,000.00	108,992,923.39	110,474,181.00	1,481,257.61	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	12/15/10	12/15/15	Aa2	AA+	2.450	2.530	2,000,000.00	1,993,941.67	2,057,040.00	63,098.33	
GENERAL ELECTRIC CAPITAL CORP	11/10/10	11/09/15	Aa2	AA+	2.250	2.250	2,000,000.00	2,000,000.00	1,981,100.00	(18,900.00)	
GENERAL ELECTRIC CAPITAL CORP	01/07/11	01/07/14	Aa2	AA+	2.100	2.100	2,000,000.00	2,000,000.00	2,012,720.00	12,720.00	
PRES & FELLOWS OF HARVARD COLL	07/12/11	01/15/14	Aaa	AAA	5.000	1.000	2,000,000.00	2,167,250.85	2,186,540.00	19,289.15	
PROCTOR & GAMBLE	09/20/11	11/15/15	Aa3	AA-	1.800	1.085	2,000,000.00	2,055,150.23	2,057,500.00	2,349.77	
TOYOTA MOTOR CREDIT	09/26/11	09/15/16	Aa3	AA-	2.000	1.800	2,000,000.00	2,018,232.58	1,989,660.00	(28,572.58)	
Subtotal, Corporate Securities							12,000,000.00	12,234,575.33	12,284,560.00	49,984.67	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	_	_	7.000	7.000	5,962,504.03	5,962,504.03	5,962,504.03	0.00	
Subtotal, SBA Note	07711100	00,00,20			1.000	7.000	5,962,504.03	5,962,504.03	5,962,504.03	0.00	
TOTALS							162,662,504.03	163,190,002.75	164,721,245.03	1,531,242.28	

Market values have been obtained from the City's safekeeping agent, Santa Barbara Bank and Trust (SBB&T). SBB&T uses Interactive Data Pricing Service, Bloomberg and DTC.